Cobb County is a great place to live and work because its government and its citizens realize that a smaller and more efficient government is better and that under no circumstances do you spend money you can't repay. The Federal Government would be well advised to learn from this example.

# LEGISLATION REGARDING DONATING FOOD TO THE NEEDY

## HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 9, 1997

Mr. HALL of Ohio. Mr. Speaker, I rise to join my colleague from California, Mr. CAMPBELL, in introducing legislation to amend the Internal Revenue Code to remove a significant barrier that discourages businesses and farmers from donating wholesome food to the needy.

Providing food to the poor can be a costly undertaking, especially with regard to perishable food. The food must be collected, packaged, transported, and distributed. However, businesses do not receive the same tax deduction for charitable donations of food as for other inventory. Food that is not sold through normal distribution channels is considered by the IRS to have no market value: and therefore, the deduction is limited only to cost of the raw materials. This means that it makes more ecoomic sense for businesses to discard the food than to donate it. The bill that we are introducing today will encourage donations by treating food as other inventory for tax purposes.

Our bill is supported by industry and charitable organizations that deal with food including Second Harvest, the National Council of Chain Restaurants; the National Farmers Union; and Food Chain.

Incentives for food donations is one of the topics that will be discussed at the National Summit on Food Recovery and Gleaning which is sponsored by the Department of Agriculture and several groups including the Congressional Hunger Center. The opening session will be held 10 a.m. to 12 noon on Monday, September 15 at Mellon Auditorium (Constitution Avenue between 12th and 14th Streets, NW).

The text of the bill follows:

#### H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

## SECTION 1. SHORT TITLE.

This Act may be cited as the "Good Samaritan Tax Act".

#### SEC. 2. CHARITABLE DEDUCTION FOR CONTRIBU-TIONS OF FOOD INVENTORY.

- (a) IN GENERAL.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:
- "(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—
- "(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food, paragraph (3) shall be applied without regard to whether or not the contribution is made by a corporation.
- "(B) DETERMINATION OF FAIR MARKET VALUE.—For purposes of this section, in the case of a charitable contribution of food

which is a qualified contribution (within the meaning of paragraph (3)) and which, solely by reason of internal standards of the tax-payer, lack of market, or similar circumstances, cannot or will not be sold, the fair market value of such contribution shall be determined—

"(i) without regard to such internal standards, such lack of market, or such cir-

cumstances, and

"(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past)."

(b) EFFECTIVE DATE.—The amendment

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PRO-GRAMS APPROPRIATIONS ACT, 1998

SPEECH OF

# HON. LOUIS B. STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES Thursday, September 4, 1997

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes:

Mr. STOKES. Mr. Chairman, I rise today in support of H.R. 2159, which provides foreign operations appropriations for fiscal year 1998. This \$12.3 billion bill has aspects which give cause for reservation, but overall, addresses critical funding for areas that are consequential for the global interests of the United States.

There is no doubt that with the end of the cold war America now reigns supreme as the world's only superpower. Over the past several years, our foreign policy has undergone a massive undertaking to adjust to a post-coldwar world which has allowed us to maintain a better balance of our domestic and foreign interests

The world faces the proliferation of dangers that have the possibility to grow unchecked without our leadership. These dangers include terrorism and extremism, acquisition of weapons by hostile regimes, poverty and disease, economic instability, narcotics trafficking, and global environmental hazards. American national security eventually becomes an issue as these problems spread across the globe.

President Clinton's foreign operations request reasonably addressed the overseas interests of the United States by maintaining our obligations to our friends and the world's neediest people. H.R. 2159 still falls \$4.6 billion short of President Clinton's request, but is still an improvement over recent years in which devastating cuts were proposed by the Republican majority. The overall funding level of H.R. 2159 is near that of fiscal year 1997.

This bill provides \$7.4 billion for bilateral economic assistance, \$3.3 billion for military assistance, \$1.1 billion for multilateral economic assistance, and \$451 million for export assistance.

Foreign aid is no giveaway. This is demonstrated by the dollars that work as an effective means of developing and expanding U.S.

cannot include a picture, sketch, or other likeness of the Member.

SECTION 3—PROVISIONS RELATING TO THE MEMBERS' OFFICIAL MAIL ALLOWANCE

mailings over 250 pieces, excluding solicited

responses, federal publications, town meet-

ing notices, communications to other Mem-

bers of Congress, Federal, State or local gov-

ernment officials, and news releases to the

media. An exemption is also provided for a

single follow-up to any direct responses, if it

is made before the end of the Congress in

which the direct response was made, and oc-

curs within six weeks after any significant

congressional action. Under current law,

mailings are defined as 500 pieces or more,

which allows members to mail thousands of

letters in up to 499 piece bundles of mail

Clarify definition of town meeting notice.

A town meeting notice relates solely to a no-

tice,  $5\frac{1}{2}$   $\times$   $\times$   $\times$   $\times$  or smaller, of the time and

place at which a Member or Members' staff

will be available to meet with constituents

regarding legislative issues or problems with

federal programs. The notice cannot include

more than 3 references to the Member, and

within days of an election.

(a) Reduce the funding available for franked mail to a maximum level equivalent to one mailing per address. The total of the funding allowed for the Official Mail Account and the Official Mass Mail Account would be equivalent to a level of 1 first class mailing per district address each year. Funding of the Official Mail Account would be limited to a level of ½ the district addresses at first class rates (the Mass Mail Account could be funded at a level no greater than the Official Mail Account).

(b) Ban transfers of funds into the Official Mass Mail Account. The bill would prohibit transfers of funds into the Official Mass Mail Account. Funds could be transferred out of the Official Mass Mail Account into the Official Mail Account

SECTION 4—EFFECTIVE DATE

The bill would take effect the first session of Congress after the date of enactment.

TRIBUTE TO COBB COUNTY, GA

### HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 9, 1997

Mr. BARR. Mr. Speaker, as we in Congress continue to search for ways to bring the Federal budget into balance and repay the mountain of debt that resulted from years of reckless Washington spending, I am pleased to have the opportunity to commend my home county for establishing a record of sound fiscal policy that is the envy of local governments all across America.

Cobb County, GA, has been awarded a coveted triple-triple A bond rating. To put this amendment in perspective, only 10 counties out of 3,033 in the entire Nation have managed their finances successfully enough to earn this coveted bond rating.

Cobb owes its success to several factors. Chief among them are local officials who are willing to make the hard choices necessary to balance spending with revenues, and residents who continue to work hard and pay taxes. By cutting government costs and financing projects with capital rather than going into debt, the Cobb County Commission has helped to win Cobb a place among the Nation's elite with regard to fiscal soundness.